

# Tax Reform 2026

By Mike Curtis 4-10-26

If it weren't for the war in Iran, I'd say tax reform would be the big issue in the mid term elections. You could say the Republicans never met a tax-cut they didn't like. They tend to dislike regressive consumption taxes like sales, one rate no deductions income, and wage taxes a lot less. While they would like to get rid of Real-estate (property) taxes altogether, they kind of like the import tariff — a tax that reduces the benefits of trade.

The Democrats like the progressive graduated income tax where you pay a higher percentage on incomes above designated amounts. And they generally favor real-estate taxes with homestead exemptions for the working class. The idea of wealth taxes levied on stocks, real-estate, and even art work are gaining favor among progressives. One proposal is to tax billionaires at 5% of everything they own over one billion dollars one time. I suppose it could be argued that for anyone who held assets worth more than a billion dollars, at least five million of every additional billion must have been gained without justification.

Neither party understands that land, which can not be produced, is the foundation or platform on which all production takes place. Land is also the storehouse from which the raw materials are extracted, separated, combined, and changed in form and in place for the satisfaction of human desires. Only products made by labor to give it a greater efficiency in making other products should be called capital. Land is the gift of nature, and therefore, inherently different.

As people come together in communities the potential to trade enables the specialization of labor; it enables machines to be engaged in continuous use; and it grossly increases the results of labor. Public investments in infrastructure and public services enable greater concentrations of people to cooperate more efficiently, further increasing each person's productive potential. Not only do inventions and new technologies increase productivity more on the superior land, but also on land in proportion to the density of population. The elevator, for example, increases productivity far more in the most densely populated areas where buildings are tall, than where buildings are lower in the suburbs.

In cities and urban areas enormous investments have been made in infrastructure and public service. Those investments enable great concentrations of people with many times as many jobs and housing. Therefore, when that land sits idle or is underused the number of people who are unemployed and homeless are equally greater than in rural areas. And, because it is only where the population is sparse that the land is ever freely available, all the greater production due to greater and denser populations adds to the income and rental value of land.

A just and efficient tax system would recognize the Earth as a common bounty belonging equally to all. That is to say: The title of each parcel of land, the gift of nature, would be conditional upon the payment of its rental value to the community.

That would be, in essence, the entire tax system. All businesses in which there cannot reasonably be competition, like the roads and pipes and wires that run along them, would be taken over and run by government, and all government granted monopolies would be abolished. Then, all taxes other than the payments for the use of land, would be abolished, as they would otherwise have been levied on labor or the products of labor.

Because socially created wealth accrues to the owners of land, collecting the rental value of land from those who have been given exclusive possession, is how we can share socially created wealth for social purpose.

The rental value of land would not only fund the infrastructure and public service, without which, the income from land would be a small fraction of what it is, but it could fund national defense and social programs as well.

The free-land opportunity of the 19th century is gone, but the need for land remains. Therefore, wages tend to an amount below which productivity would fall. This is counteracted by the Minimum Wage laws. Some of the higher wages paid to Min. Wage workers are taxed away with Payroll, wage and sales taxes etc. So, with the exception of taxes paid by Min. Wage workers, all taxes are paid out of what would otherwise go to the owners of land and other monopolies. If landowners refused to compensate for taxes paid by higher-wage workers, with higher pay, productivity would fall, and the income from land would fall more than the higher wages paid to compensate for taxes.

So, while most taxes can be justified because they are paid out of what would otherwise go to the owners of land and other monopolies, only taxes that are levied on the rental value or the selling value of land, incentivize its full use — resulting in jobs and housing. And, it is only when enough land is put to full use, increasing the available supply, that some land will have no value and may be used without payment — increasing wages.

Tax reform should start with legislation that shifts taxes to the value of land. The more taxes are shifted, the more jobs and housing will be come forth without government subsidies. By collecting the full rental value of privately deeded land. It will not only create jobs and housing, but grossly increase productivity; it will raise wages and the return on productive investments; and it will provide funding for national defense and social programs like national healthcare. []